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AMENDED IN ASSEMBLY MAY 1, 2006

CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

## **ASSEMBLY BILL**

**No. 2922**

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**Introduced by Assembly Member Jones**

February 24, 2006

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An act to amend Sections 33334.3, 33413, and 33490 of the Health and Safety Code, relating to redevelopment.

### LEGISLATIVE COUNSEL'S DIGEST

AB 2922, as amended, Jones. Redevelopment: Low and Moderate Income Housing Fund.

(1) Existing law authorizes redevelopment agencies to pay the principal of, and interest on, indebtedness incurred to finance or refinance redevelopment, from a portion of property tax revenues diverted from other taxing agencies. The portion of taxes diverted is the amount attributable to increases in assessed valuation of property in the redevelopment project area subsequent to establishment thereof. This method of financing is commonly known as "tax increment" financing and is specifically authorized by Section 16 of Article XVI of the California Constitution.

Existing law requires a redevelopment agency to use at least 20% of its tax increment revenues for the purposes of increasing, improving, and preserving the community's supply of low- and moderate-income housing available at affordable cost to persons and families of low or moderate income and lower, very low, and extremely low income households that are occupied by these persons and families unless the agency makes certain findings. These funds are required to be deposited in a separate Low and Moderate Income Housing Fund.

Existing law requires covenants and restrictions on the affordability of all new or substantially rehabilitated housing units developed or assisted with funds required to be used for low- and moderate-income housing to be recorded in the office of the county recorder and makes those covenants and restrictions enforceable by the agency or the community.

This bill would make the covenants and restrictions enforceable by any interested party, including a person or family of low or moderate income that is eligible to reside in the property and would require the agency to obtain and maintain a copy of the covenants and restrictions.

The bill would require the agency, concurrently with the recordation of the covenants or restrictions, to also record a separate document entitled "Affordable Housing Restrictions on Transfer of Property," which would be required to contain, among other things, a recitation of the affordability covenants or restrictions and a legal description of the property.

(2) Existing law requires a redevelopment agency to replace dwelling units housing persons and families of low or moderate income that are destroyed or removed from the low- and moderate-income housing market as part of a redevelopment project that is subject to a written agreement with the agency or where financial assistance is provided by the agency. Existing law also requires that specified percentages of new and substantially rehabilitated dwelling units within a project area that are developed by public or private entities or by persons other than the redevelopment agency be affordable to and occupied by persons of low and moderate income. These replacement, new, or rehabilitated dwelling units are required to remain available at affordable housing cost to, and occupied by, persons and families of low-income, moderate-income, and very low income households for at least 55 years for rental units and 45 years for home ownership units.

This bill would require that covenants be recorded restricting the rental or sale, as specified in existing law, of a dwelling unit if it is to be counted as satisfying these housing obligations. The bill would state that this requirement does constitute a change in, but is declaratory of, existing law.

(3) Existing law requires an agency that adopted a redevelopment plan to also adopt every 5 years, after a public hearing, an implementation plan that contains specified information, including the agency housing responsibilities. Existing law requires the implementation plan to contain, among other information, the number of units for very low, low-, and moderate-income households that are developed within a project area by public or private entities or by persons other than the redevelopment agency that are required to be affordable to and occupied by persons of low and moderate income.

This bill would additionally require an agency that adopted a redevelopment plan before December 31, 1993, to include in its implementation plan the identification of the affordability level of each dwelling unit developed within a project area by public or private entities or by persons other than the redevelopment agency that are required to be affordable to and occupied by persons of low and moderate income, the period of affordability of those units, including the expiration date of the covenant or restriction, and a verification that the covenants restricting the sale or lease of the units were recorded.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. Section 33334.3 of the Health and Safety Code  
2     is amended to read:  
3     33334.3. (a) The funds that are required by Section 33334.2  
4     or 33334.6 to be used for the purposes of increasing, improving,  
5     and preserving the community's supply of low- and  
6     moderate-income housing shall be held in a separate Low and  
7     Moderate Income Housing Fund until used.  
8     (b) Any interest earned by the Low and Moderate Income  
9     Housing Fund and any repayments or other income to the agency  
10    for loans, advances, or grants, of any kind from the Low and  
11    Moderate Income Housing Fund shall accrue to, and be deposited

1 in, the fund and may only be used in the manner prescribed for  
2 the Low and Moderate Income Housing Fund.

3 (c) The moneys in the Low and Moderate Income Housing  
4 Fund shall be used to increase, improve, and preserve the supply  
5 of low- and moderate-income housing within the territorial  
6 jurisdiction of the agency.

7 (d) It is the intent of the Legislature that the Low and  
8 Moderate Income Housing Fund be used to the maximum extent  
9 possible to defray the costs of production, improvement, and  
10 preservation of low- and moderate-income housing and that the  
11 amount of money spent for planning and general administrative  
12 activities associated with the development, improvement, and  
13 preservation of that housing not be disproportionate to the  
14 amount actually spent for the costs of production, improvement,  
15 or preservation of that housing. The agency shall determine  
16 annually that the planning and administrative expenses are  
17 necessary for the production, improvement, or preservation of  
18 low- and moderate-income housing.

19 (e) (1) Planning and general administrative costs that may be  
20 paid with moneys from the Low and Moderate Income Housing  
21 Fund are those expenses incurred by the agency that are directly  
22 related to the programs and activities authorized under  
23 subdivision (e) of Section 33334.2 and are limited to the  
24 following:

25 (A) Costs incurred for salaries, wages, and related costs of the  
26 agency's staff or for services provided through interagency  
27 agreements, and agreements with contractors, including usual  
28 indirect costs related thereto.

29 (B) Costs incurred by a nonprofit corporation that are not  
30 directly attributable to a specific project.

31 (2) Legal, architectural, and engineering costs and other  
32 salaries, wages, and costs directly related to the planning and  
33 execution of a specific project that are authorized under Section  
34 33334.2 and that are incurred by a nonprofit housing sponsor are  
35 not planning and administrative costs for the purposes of this  
36 section, but are instead project costs.

37 (f) (1) The requirements of this subdivision apply to all new  
38 or substantially rehabilitated housing units developed or  
39 otherwise assisted, with moneys from the Low and Moderate  
40 Income Housing Fund, pursuant to an agreement approved by an

1 agency on or after January 1, 1988. Except to the extent a longer  
2 period of time may be required by other provisions of law, the  
3 agency shall require that housing units subject to this subdivision  
4 shall remain available at affordable housing cost to, and occupied  
5 by, persons and families of low or moderate income and very low  
6 income and extremely low income households for the longest  
7 feasible time, but for not less than the following periods of time:

8 (A) Fifty-five years for rental units. However, the agency may  
9 replace rental units with equally affordable and comparable  
10 rental units in another location within the community if ~~(A)~~ (i)  
11 the replacement units are available for occupancy prior to the  
12 displacement of any persons and families of low or moderate  
13 income residing in the units to be replaced and ~~(B)~~ (ii) the  
14 comparable replacement units are not developed with moneys  
15 from the Low and Moderate Income Housing Fund.

16 (B) Forty-five years for owner-occupied units. However, the  
17 agency may permit sales of owner-occupied units prior to the  
18 expiration of the 45-year period for a price in excess of that  
19 otherwise permitted under this subdivision pursuant to an  
20 adopted program which protects the agency's investment of  
21 moneys from the Low and Moderate Income Housing Fund,  
22 including, but not limited to, an equity sharing program which  
23 establishes a schedule of equity sharing that permits retention by  
24 the seller of a portion of those excess proceeds based on the  
25 length of occupancy. The remainder of the excess proceeds of the  
26 sale shall be allocated to the agency and deposited in the Low  
27 and Moderate Income Housing Fund. Only the units originally  
28 assisted by the agency shall be counted towards the agency's  
29 obligations under Section 33413.

30 (C) If land on which those dwelling units are located is deleted  
31 from the project area, the agency shall continue to require that  
32 those units remain affordable as specified in this subdivision.

33 (2) The agency shall require the concurrent recording in the  
34 office of the county recorder of the following documents:

35 (A) The covenants or restrictions implementing this  
36 subdivision for each parcel, lot, or unit of real property subject to  
37 this subdivision. Notwithstanding any other provision of law, the  
38 covenants or restrictions shall run with the land and shall be  
39 enforceable, against the original owner and each successor in  
40 interest, by the agency, the community, or any interested party,

1 including, but not limited to, any person or family of low or  
2 moderate income that is eligible to reside at the parcel, lot, or  
3 unit of real property, or that is displaced or threatened with  
4 displacement from the parcel, lot, or unit of real property that is  
5 subject to the covenants or restrictions. The agency shall obtain  
6 and maintain a copy of the recorded covenants or restrictions for  
7 at least the life of the covenants or restrictions.

8 (B) A separate document entitled “Affordable Housing  
9 Restrictions on Transfer of Property,” in 14-point type or larger.

10 The document shall contain all of the following:

- 11 (i) A recitation of the affordability covenants or restrictions.
- 12 (ii) The date the covenants or restrictions expire.
- 13 (iii) The street address of the property, including, if applicable,  
14 the unit number.
- 15 (iv) The assessor’s parcel number for the property.
- 16 (v) The legal description of the property.

17 ~~(C) All authorized recording fees shall be collected by the~~  
18 ~~recorder for the recording of documents under this subdivision.~~

19 (g) “Housing,” as used in this section, includes residential  
20 hotels, as defined in subdivision (k) of Section 37912. The  
21 definitions of “lower income households,” “very low income  
22 households,” and “extremely low income households” in  
23 Sections 50079.5, 50105, and 50106 shall apply to this section.  
24 “Longest feasible time,” as used in this section, includes, but is  
25 not limited to, unlimited duration.

26 (h) “Increasing, improving, and preserving the community’s  
27 supply of low- and moderate-income housing,” as used in this  
28 section and in Section 33334.2, includes the preservation of  
29 rental housing units assisted by federal, state, or local  
30 government on the condition that units remain affordable to, and  
31 occupied by, low- and moderate-income households, including  
32 extremely low and very low income households, for the longest  
33 feasible time, but not less than 55 years, beyond the date the  
34 subsidies and use restrictions could be terminated and the  
35 assisted housing units converted to market rate rentals. In  
36 preserving these units the agency shall require that the units  
37 remain affordable to, and occupied by, persons and families of  
38 low- and moderate-income and extremely low and very low  
39 income households for the longest feasible time but not less than  
40 55 years. However, the agency may replace rental units with

1 equally affordable and comparable rental units in another  
2 location within the community if the following conditions are  
3 met:

4 (1) The replacement units in another location are available for  
5 occupancy prior to the displacement of any persons and families  
6 of low or moderate income residing in the units to be replaced.

7 (2) The comparable replacement units are not developed with  
8 moneys from the Low and Moderate Income Housing Fund.

9 (i) Agencies that have more than one project area may satisfy  
10 the requirements of Sections 33334.2 and 33334.6 and this  
11 section by allocating, in any fiscal year, less than 20 percent of  
12 funds in one project area, if the difference between the amount  
13 allocated and the 20 percent required is instead allocated, in that  
14 same fiscal year, to the Low and Moderate Income Housing Fund  
15 from tax increment revenues from other project areas. Prior to  
16 allocating funds pursuant to this subdivision, the agency shall  
17 make the finding required by subdivision (g) of Section 33334.2.

18 (j) Funds from the Low and Moderate Income Housing Fund  
19 shall not be used to the extent that other reasonable means of  
20 private or commercial financing of the new or substantially  
21 rehabilitated units at the same level of affordability and quantity  
22 are reasonably available to the agency or to the owner of the  
23 units. Prior to the expenditure of funds from the Low and  
24 Moderate Income Housing Fund for new or substantially  
25 rehabilitated housing units, where those funds will exceed 50  
26 percent of the cost of producing the units, the agency shall find,  
27 based on substantial evidence, that the use of the funds is  
28 necessary because the agency or owner of the units has made a  
29 good faith attempt but been unable to obtain commercial or  
30 private means of financing the units at the same level of  
31 affordability and quantity.

32 SEC. 2. Section 33413 of the Health and Safety Code is  
33 amended to read:

34 33413. (a) If dwelling units housing persons and families of  
35 low or moderate income are destroyed or removed from the low-  
36 and moderate-income housing market as part of a redevelopment  
37 project that is subject to a written agreement with the agency or if  
38 financial assistance has been provided by the agency, the agency  
39 shall, within four years of the destruction or removal,  
40 rehabilitate, develop, or construct, or cause to be rehabilitated,

1 developed, or constructed, for rental or sale to persons and  
2 families of low or moderate income, an equal number of  
3 replacement dwelling units that have an equal or greater number  
4 of bedrooms as those destroyed or removed units at affordable  
5 housing costs within the territorial jurisdiction of the agency.  
6 When dwelling units are destroyed or removed after September  
7 1, 1989, 75 percent of the replacement dwelling units shall  
8 replace dwelling units available at affordable housing cost in the  
9 same or a lower income level of very low income households,  
10 lower income households, and persons and families of low and  
11 moderate income, as the persons displaced from those destroyed  
12 or removed units. When dwelling units are destroyed or removed  
13 on or after January 1, 2002, 100 percent of the replacement  
14 dwelling units shall be available at affordable housing cost to  
15 persons in the same or a lower income category (low, very low,  
16 or moderate), as the persons displaced from those destroyed or  
17 removed units.

18 (b) (1) Prior to the time limit on the effectiveness of the  
19 redevelopment plan established pursuant to Sections 33333.2,  
20 33333.6, and 33333.10 at least 30 percent of all new and  
21 substantially rehabilitated dwelling units developed by an agency  
22 shall be available at affordable housing cost to, and occupied by,  
23 persons and families of low or moderate income. Not less than 50  
24 percent of the dwelling units required to be available at  
25 affordable housing cost to, and occupied by, persons and families  
26 of low or moderate income shall be available at affordable  
27 housing cost to, and occupied by, very low income households.

28 (2) (A) (i) Prior to the time limit on the effectiveness of the  
29 redevelopment plan established pursuant to Sections 33333.2,  
30 33333.6, and 33333.10 at least 15 percent of all new and  
31 substantially rehabilitated dwelling units developed within a  
32 project area under the jurisdiction of an agency by public or  
33 private entities or persons other than the agency shall be  
34 available at affordable housing cost to, and occupied by, persons  
35 and families of low or moderate income. Not less than 40 percent  
36 of the dwelling units required to be available at affordable  
37 housing cost to, and occupied by, persons and families of low or  
38 moderate income shall be available at affordable housing cost to,  
39 and occupied by, very low income households.



1 (ii) To satisfy this paragraph, in whole or in part, the agency  
2 may cause, by regulation or agreement, to be available, at  
3 affordable housing cost, to, and occupied by, persons and  
4 families of low or moderate income or to very low income  
5 households, as applicable, two units outside a project area for  
6 each unit that otherwise would have been required to be available  
7 inside a project area.

8 (iii) On or after January 1, 2002, as used in this paragraph and  
9 in paragraph (1), “substantially rehabilitated dwelling units”  
10 means all units substantially rehabilitated, with agency  
11 assistance. Prior to January 1, 2002, “substantially rehabilitated  
12 dwelling units” shall mean substantially rehabilitated multifamily  
13 rented dwelling units with three or more units regardless of  
14 whether there is agency assistance, or substantially rehabilitated,  
15 with agency assistance, single-family dwelling units with one or  
16 two units.

17 (iv) As used in this paragraph and in paragraph (1),  
18 “substantial rehabilitation” means rehabilitation, the value of  
19 which constitutes 25 percent of the after rehabilitation value of  
20 the dwelling, inclusive of the land value.

21 (v) To satisfy this paragraph, the agency may aggregate new  
22 or substantially rehabilitated dwelling units in one or more  
23 project areas, if the agency finds, based on substantial evidence,  
24 after a public hearing, that the aggregation will not cause or  
25 exacerbate racial, ethnic, or economic segregation.

26 (B) To satisfy the requirements of paragraph (1) and  
27 subparagraph (A), the agency may purchase, or otherwise acquire  
28 or cause by regulation or agreement the purchase or other  
29 acquisition of, long-term affordability covenants on multifamily  
30 units that restrict the cost of renting or purchasing those units that  
31 either: (i) are not presently available at affordable housing cost to  
32 persons and families of low or very low income households, as  
33 applicable; or (ii) are units that are presently available at  
34 affordable housing cost to this same group of persons or families,  
35 but are units that the agency finds, based upon substantial  
36 evidence, after a public hearing, cannot reasonably be expected  
37 to remain affordable to this same group of persons or families.

38 (C) To satisfy the requirements of paragraph (1) and  
39 subparagraph (A), the long-term affordability covenants  
40 purchased or otherwise acquired pursuant to subparagraph (B)

1 shall be required to be maintained on dwelling units at affordable  
2 housing cost to, and occupied by, persons and families of low or  
3 very low income, for the longest feasible time but not less than  
4 55 years for rental units and 45 years for owner-occupied units.  
5 Not more than 50 percent of the units made available pursuant to  
6 paragraph (1) and subparagraph (A) may be assisted through the  
7 purchase or acquisition of long-term affordability covenants  
8 pursuant to subparagraph (B). Not less than 50 percent of the  
9 units made available through the purchase or acquisition of  
10 long-term affordability covenants pursuant to subparagraph (B)  
11 shall be available at affordable housing cost to, and occupied by,  
12 very low income households.

13 (3) The requirements of this subdivision shall apply  
14 independently of the requirements of subdivision (a). The  
15 requirements of this subdivision shall apply, in the aggregate, to  
16 housing made available pursuant to paragraphs (1) and (2),  
17 respectively, and not to each individual case of rehabilitation,  
18 development, or construction of dwelling units, unless an agency  
19 determines otherwise.

20 (4) Each redevelopment agency, as part of the implementation  
21 plan required by Section 33490, shall adopt a plan to comply  
22 with the requirements of this subdivision for each project area.  
23 The plan shall be consistent with, and may be included within,  
24 the community's housing element. The plan shall be reviewed  
25 and, if necessary, amended at least every five years in  
26 conjunction with either the housing element cycle or the plan  
27 implementation cycle. The plan shall ensure that the  
28 requirements of this subdivision are met every 10 years. If the  
29 requirements of this subdivision are not met by the end of each  
30 10-year period, the agency shall meet these goals on an annual  
31 basis until the requirements for the 10-year period are met. If the  
32 agency has exceeded the requirements within the 10-year period,  
33 the agency may count the units that exceed the requirement in  
34 order to meet the requirements during the next 10-year period.  
35 The plan shall contain the contents required by paragraphs (2),  
36 (3), and (4) of subdivision (a) of Section 33490.

37 (c) (1) The agency shall require that the aggregate number of  
38 replacement dwelling units and other dwelling units rehabilitated,  
39 developed, constructed, or price-restricted pursuant to  
40 subdivision (a) or (b) remain available at affordable housing cost

1 to, and occupied by, persons and families of low-income,  
2 moderate-income, and very low income households, respectively,  
3 for the longest feasible time, but for not less than 55 years for  
4 rental units and 45 years for home ownership units, except as set  
5 forth in paragraph (2).

6 (2) Notwithstanding paragraph (1), the agency may permit  
7 sales of owner-occupied units prior to the expiration of the  
8 45-year period established by the agency for a price in excess of  
9 that otherwise permitted under this subdivision pursuant to an  
10 adopted program that protects the agency's investment of  
11 moneys from the Low and Moderate Income Housing Fund,  
12 including, but not limited to, an equity sharing program that  
13 establishes a schedule of equity sharing that permits retention by  
14 the seller of a portion of those excess proceeds, based on the  
15 length of occupancy. The remainder of the excess proceeds of the  
16 sale shall be allocated to the agency, and deposited into the Low  
17 and Moderate Income Housing Fund. The agency shall, within  
18 three years from the date of sale of units pursuant to this  
19 paragraph, expend funds to make affordable an equal number of  
20 units at the same income level as units sold pursuant to this  
21 paragraph. Only the units originally assisted by the agency shall  
22 be counted towards the agency's obligations under Section  
23 33413.

24 (3) The requirements of this section shall be made enforceable  
25 in the same manner as provided in paragraph (2) of subdivision  
26 (f) of Section 33334.3.

27 (4) If land on which the dwelling units required by this section  
28 are located is deleted from the project area, the agency shall  
29 continue to require that those units remain affordable as specified  
30 in this subdivision.

31 (5) A dwelling unit shall not be counted as satisfying the  
32 replacement housing obligations of subdivision (a) or the housing  
33 production requirements of subdivision (b) unless covenants are  
34 recorded restricting the rental or sale of the units consistent with  
35 paragraph (1).

36 (d) (1) This section applies only to redevelopment projects for  
37 which a final redevelopment plan is adopted pursuant to Article 5  
38 (commencing with Section 33360) on or after January 1, 1976,  
39 and to areas that are added to a project area by amendment to a  
40 final redevelopment plan adopted on or after January 1, 1976. In

1 addition, subdivision (a) shall apply to any other redevelopment  
2 project with respect to dwelling units destroyed or removed from  
3 the low- and moderate-income housing market on or after  
4 January 1, 1996, irrespective of the date of adoption of a final  
5 redevelopment plan or an amendment to a final redevelopment  
6 plan adding areas to a project area. Additionally, any agency  
7 may, by resolution, elect to make all or part of the requirements  
8 of this section applicable to any redevelopment project of the  
9 agency for which the final redevelopment plan was adopted prior  
10 to January 1, 1976. In addition, subdivision (b) shall apply to  
11 redevelopment plans adopted prior to January 1, 1976, for which  
12 an amendment is adopted pursuant to Section 33333.10, except  
13 that subdivision (b) shall apply to those redevelopment plans  
14 prospectively only so that the requirements of subdivision (b)  
15 shall apply only to new and substantially rehabilitated dwelling  
16 units for which the building permits are issued on or after the  
17 date that the ordinance adopting the amendment pursuant to  
18 Section 33333.10 becomes effective.

19 (2) An agency may, by resolution, elect to require that  
20 whenever dwelling units housing persons or families of low or  
21 moderate income are destroyed or removed from the low- and  
22 moderate-income housing market as part of a redevelopment  
23 project, the agency shall replace each dwelling unit with up to  
24 three replacement dwelling units pursuant to subdivision (a).

25 (e) Except as otherwise authorized by law, this section does  
26 not authorize an agency to operate a rental housing development  
27 beyond the period reasonably necessary to sell or lease the  
28 housing development.

29 (f) Notwithstanding subdivision (a), the agency may replace  
30 destroyed or removed dwelling units with a fewer number of  
31 replacement dwelling units if the replacement dwelling units  
32 meet both of the following criteria:

33 (1) The total number of bedrooms in the replacement dwelling  
34 units equals or exceeds the number of bedrooms in the destroyed  
35 or removed units. Destroyed or removed units having one or no  
36 bedroom are deemed for this purpose to have one bedroom.

37 (2) The replacement units are affordable to and occupied by  
38 the same income level of households as the destroyed or removed  
39 units.

1 (g) “Longest feasible time,” as used in this section, includes,  
2 but is not limited to, unlimited duration.

3 SEC. 3. Section 33490 of the Health and Safety Code is  
4 amended to read:

5 33490. (a) (1) (A) On or before December 31, 1994, and  
6 each five years thereafter, each agency that has adopted a  
7 redevelopment plan prior to December 31, 1993, shall adopt,  
8 after a public hearing, an implementation plan that shall contain  
9 the specific goals and objectives of the agency for the project  
10 area, the specific programs, including potential projects, and  
11 estimated expenditures proposed to be made during the next five  
12 years, and an explanation of how the goals and objectives,  
13 programs, and expenditures will eliminate blight within the  
14 project area and implement the requirements of Section  
15 33333.10, if applicable, and Sections 33334.2, 33334.4, 33334.6,  
16 and 33413. After adoption of the first implementation plan, the  
17 parts of the implementation plan that address Section 33333.10,  
18 if applicable, and Sections 33334.2, 33334.4, 33334.6, and 33413  
19 shall be adopted every five years either in conjunction with the  
20 housing element cycle or the implementation plan cycle. The  
21 agency may amend the implementation plan after conducting a  
22 public hearing on the proposed amendment. If an action attacking  
23 the adoption, approval, or validity of a redevelopment plan  
24 adopted prior to January 1, 1994, has been brought pursuant to  
25 Chapter 5 (commencing with Section 33500), the first  
26 implementation plan required pursuant to this section shall be  
27 adopted within six months after a final judgment or order has  
28 been entered. Subsequent implementation plans required  
29 pursuant to this section shall be adopted pursuant to the terms of  
30 this section, and as if the first implementation plan had been  
31 adopted on or before December 31, 1994.

32 (B) Adoption of an implementation plan shall not constitute an  
33 approval of any specific program, project, or expenditure and  
34 shall not change the need to obtain any required approval of a  
35 specific program, project, or expenditure from the agency or  
36 community. The adoption of an implementation plan shall not  
37 constitute a project within the meaning of Section 21000 of the  
38 Public Resources Code. However, the inclusion of a specific  
39 program, potential project, or expenditure in an implementation  
40 plan prepared pursuant to subdivision (c) of Section 33352 in

1 conjunction with a redevelopment plan adoption shall not  
2 eliminate analysis of those programs, potential projects, and  
3 expenditures in the environmental impact report prepared  
4 pursuant to subdivision (k) of Section 33352 to the extent that it  
5 would be otherwise required. In addition, the inclusion of  
6 programs, potential projects, and expenditures in an  
7 implementation plan shall not eliminate review pursuant to the  
8 California Environmental Quality Act (Division 13 (commencing  
9 with Section 21000) of the Public Resources Code), at the time  
10 of the approval of the program, project, or expenditure, to the  
11 extent that it would be otherwise required.

12 (2) (A) A portion of the implementation plan shall address the  
13 agency housing responsibilities and shall contain a section  
14 addressing Section 33333.10, if applicable, and Sections  
15 33334.2, 33334.4, and 33334.6, the Low and Moderate Income  
16 Housing Fund, and, if subdivision (b) of Section 33413 applies, a  
17 section addressing agency-developed and project area housing.  
18 The section addressing the Low and Moderate Income Housing  
19 Fund shall contain:

20 (i) The amount available in the Low and Moderate Income  
21 Housing Fund and the estimated amounts which will be  
22 deposited in the Low and Moderate Income Housing Fund during  
23 each of the next five years.

24 (ii) A housing program with estimates of the number of new,  
25 rehabilitated, or price-restricted units to be assisted during each  
26 of the five years and estimates of the expenditures of moneys  
27 from the Low and Moderate Income Housing Fund during each  
28 of the five years.

29 (iii) A description of how the housing program will implement  
30 the requirement for expenditures of moneys in the Low and  
31 Moderate Income Housing Fund over a 10-year period for  
32 various groups as required by Section 33334.4. For project areas  
33 to which subdivision (b) of Section 33413 applies, the 10-year  
34 period within which Section 33334.4 is required to be  
35 implemented shall be the same 10-year period within which  
36 subdivision (b) of Section 33413 is required to be implemented.  
37 Notwithstanding the first sentence of Section 33334.4 and the  
38 first sentence of this clause, in order to allow these two 10-year  
39 time periods to coincide for the first time period, the time to  
40 implement the requirements of Section 33334.4 shall be extended

1 two years, and project areas in existence on December 31, 1993,  
2 shall implement the requirements of Section 33334.4 on or  
3 before December 31, 2014, and each 10 years thereafter rather  
4 than December 31, 2012. For project areas to which subdivision  
5 (b) of Section 33413 does not apply, the requirements of Section  
6 33334.4 shall be implemented on or before December 31, 2014,  
7 and each 10 years thereafter.

8 (iv) This requirement to include a description of how the  
9 housing program will implement Section 33334.4 in the  
10 implementation plan shall apply to implementation plans adopted  
11 pursuant to subdivision (a) on or after December 31, 2002.

12 (B) For each project area to which subdivision (b) of Section  
13 33413 applies, the section addressing the agency developed and  
14 project area housing shall contain:

15 (i) Estimates of the number of new, substantially rehabilitated  
16 or price-restricted residential units to be developed or purchased  
17 within one or more project areas, both over the life of the plan  
18 and during the next 10 years.

19 (ii) Estimates of the number of units of very low, low-, and  
20 moderate-income households required to be developed within  
21 one or more project areas in order to meet the requirements of  
22 paragraph (2) of subdivision (b) of Section 33413, both over the  
23 life of the plan and during the next 10 years.

24 (iii) The number of units of very low, low-, and  
25 moderate-income households that have been developed within  
26 one or more project areas which meet the requirements of  
27 Section 33413, including an identification of the affordability  
28 level of each dwelling unit, the period of affordability, including  
29 the expiration date of the covenant or restriction, and a  
30 verification that covenants restricting the sale or lease of the units  
31 were recorded in accordance with paragraph (5) of subdivision  
32 (c) of Section 33413.

33 (iv) Estimates of the number of agency developed residential  
34 units which will be developed during the next five years, if any,  
35 which will be governed by paragraph (1) of subdivision (b) of  
36 Section 33413.

37 (v) Estimates of the number of agency developed units for  
38 very low, low-, and moderate-income households which will be  
39 developed by the agency during the next five years to meet the

1 requirements of paragraph (1) of subdivision (b) of Section  
2 33413.

3 (C) The section addressing Section 33333.10, if applicable,  
4 and Section 33334.4 shall contain all of the following:

5 (i) The number of housing units needed for very low income  
6 persons, low-income persons, and moderate-income persons as  
7 each of those needs have been identified in the most recent  
8 determination pursuant to Section 65584 of the Government  
9 Code, and the proposed amount of expenditures from the Low  
10 and Moderate Income Housing Fund for each income group  
11 during each year of the implementation plan period.

12 (ii) The total population of the community and the population  
13 under 65 years of age as reported in the most recent census of the  
14 United States Census Bureau.

15 (iii) A housing program that provides a detailed schedule of  
16 actions the agency is undertaking or intends to undertake to  
17 ensure expenditure of the Low and Moderate Income Housing  
18 Fund in the proportions required by Section 33333.10, if  
19 applicable, and Section 33334.4.

20 (iv) For the previous implementation plan period, the amounts  
21 of Low and Moderate Income Housing Fund moneys utilized to  
22 assist units affordable to, and occupied by, extremely low income  
23 households, very low income households, and low-income  
24 households; the number, the location, and level of affordability of  
25 units newly constructed with other locally controlled government  
26 assistance and without agency assistance and that are required to  
27 be affordable to, and occupied by, persons of low, very low, or  
28 extremely low income for at least 55 years for rental housing or  
29 45 years for homeownership housing, and the amount of Low  
30 and Moderate Income Housing Fund moneys utilized to assist  
31 housing units available to families with children, and the number,  
32 location, and level of affordability of those units.

33 (3) If the implementation plan contains a project that will  
34 result in the destruction or removal of dwelling units that will  
35 have to be replaced pursuant to subdivision (a) of Section 33413,  
36 the implementation plan shall identify proposed locations  
37 suitable for those replacement dwelling units.

38 (4) For a project area that is within six years of the time limit  
39 on the effectiveness of the redevelopment plan established  
40 pursuant to Section 33333.2, 33333.6, 33333.7, or 33333.10, the



1 portion of the implementation plan addressing the housing  
2 responsibilities shall specifically address the ability of the agency  
3 to comply, prior to the time limit on the effectiveness of the  
4 redevelopment plan, with subdivision (a) of Section 33333.8,  
5 subdivision (a) of Section 33413 with respect to replacement  
6 dwelling units, subdivision (b) of Section 33413 with respect to  
7 project area housing, and the disposition of the remaining  
8 moneys in the Low and Moderate Income Housing Fund.

9 (b) For a project area for which a redevelopment plan is  
10 adopted on or after January 1, 1994, the implementation plan  
11 prepared pursuant to subdivision (c) of Section 33352 shall  
12 constitute the initial implementation plan and thereafter the  
13 agency after a public hearing shall adopt an implementation plan  
14 every five years commencing with the fifth year after the plan  
15 has been adopted. Agencies may adopt implementation plans that  
16 include more than one project area.

17 (c) Every agency, at least once within the five-year term of the  
18 plan, shall conduct a public hearing and hear testimony of all  
19 interested parties for the purpose of reviewing the redevelopment  
20 plan and the corresponding implementation plan for each  
21 redevelopment project within the jurisdiction and evaluating the  
22 progress of the redevelopment project. The hearing required by  
23 this subdivision shall take place no earlier than two years and no  
24 later than three years after the adoption of the implementation  
25 plan. For a project area that is within three years of the time limit  
26 on the effectiveness of the redevelopment plan established  
27 pursuant to Section 33333.2, 33333.6, 33333.7, or 33333.10, the  
28 review shall specifically address those items in paragraph (4) of  
29 subdivision (a). An agency may hold one hearing for two or more  
30 project areas if those project areas are included within the same  
31 implementation plan.

32 (d) Notice of public hearings conducted pursuant to this  
33 section shall be published pursuant to Section 6063 of the  
34 Government Code, mailed at least three weeks in advance to all  
35 persons and agencies that have requested notice, and posted in at  
36 least four permanent places within the project area for a period of  
37 three weeks. Publication, mailing, and posting shall be completed  
38 not less than 10 days prior to the date set for hearing.

1       SEC. 4. The amendment of Section 33413 of the Health and  
2       Safety Code made by this act does not constitute a change in, but  
3       is declaratory of, existing law.

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